

KENTUCKY WORKFORCE INVESTMENT BOARD

May 9, 2006, Minutes

Conference Room A, Council on Postsecondary Education
1024 Capital Center Drive
Frankfort, Kentucky

I. Call to Order

Mr. George Burkley, Chair, Kentucky Workforce Investment Board (KWIB), called the meeting to order at 10:14 a.m. and requested that the roll be called.

A. Roll Call

The following members were present: Mr. George Burkley, Ms. Sharon Bird, Representative Larry Clark, Mr. Don Doty, Executive Director Andrew Fraenhoffer, Ms. Kimberly Maffet, Senator Vernie McGaha, Mr. Bill Parson, (Retired) General James Shane, Ms. Nancy Spivey, and Ms. Sue Tamme. Secretary of State Trey Grayson was represented by a proxy, Mr. Allen Eskridge.

The following members were absent: Mayor Jerry Abramson, Senator Charlie Borders, Governor Martha Layne Collins, Judge/Executive Bill May, Dr. Michael McCall, Mr. Ken Oilschlager, Mr. Ted Richardson, and Mr. Russell Starkey.

B. Establishment of Quorum

The required quorum of 11 members was surpassed with 12 of 20 appointed members or an official proxy present.

C. Comments

Office of Employment and Training (OET) Executive Director Andrew Fraenhoffer reported that names of four potential KWIB members had been submitted to the Governor's Office for Boards and Commissions. Several other members' terms will expire on June 30, 2006, bringing the number of replacements needed to approximately ten. He requested that members contact Elizabeth Hack if they know someone who may be interested in serving on the KWIB. He also encouraged the use of a proxy if a member is not able to attend a regular meeting.

Mr. Burkley requested that Ms. Hack distribute information on proxy procedures, the proxy designation form, and information on board membership requirements.

Mr. Burkley reported on the February 2006 state WIB chairs' meeting in Washington, DC, at which many states were represented. He reported strong consensus among speakers that WIA emphasis and performance measures should shift from a social service to an economic development focus. He noted the importance of education, the need for career readiness, the importance of linking the private sector with education and economic development, and the strategic role state governors play in supporting and driving related initiatives. He also stated that he will initiate the process for appointing KWIB representatives to the Kentucky P-16 Council.

Elizabeth Hack provided information on the Best Places to Work Initiative, noting that Sue Tamme's organization, Baptist Hospital East, had been awarded third place. Ms. Hack reported on a new Advanced Technology Center under development by KCTCS and Toyota that will serve multiple manufacturing industries on the Toyota campus. The center will be supported by a \$2.48 million grant awarded to KCTCS by the USDOL. She also noted that the May 22 issue of Forbes Magazine will include an advertisement section about the Commonwealth of Kentucky.

II. Action Items

A. Approval of Minutes

MOTION: The minutes of the November 29, 2005, 10:00 a.m. meeting; the November 29, 2005, 12:15 p.m. meeting, and the February 14, 2006, meeting were approved as presented following a motion by Bill Parson, seconded by Representative Larry Clark. There was no opposition.

B. Committee Reports

- Alignment Committee: Sharon Britton, staff to the Alignment Committee, presented a report (Attachment 1) on the April 10 Alignment Committee meeting discussion which focused on the importance of proactive KWIB involvement in BRAC; the I-65 growth corridor initiative; anticipated changes resulting from state employee retirements expected by 2008 and reductions in federal funding; the role of business liaisons and employment services; and the need for involvement in local and state business relationships.
- Access Committee: Nancy Spivey, Chair of the Alignment Committee, reported on their April 26 meeting. She noted their focus was to discuss the overall purpose of the committee. They concluded that committee members need to visit one stops to build relationships at the local level and that they need to be aware of what is working and what is not working. She commented on the Kentucky Chamber of Commerce use of local one stops to improve business services and a survey distributed by the U.S. Chamber of Commerce to establish a baseline regarding the use of one stops.
- Awareness Committee: Sharon Bird, Chair of the Awareness Committee, said the committee was aware of the need to meet and would do so as soon as possible.
- Accountability Committee: Kimberly Maffet responded that the Accountability Committee will meet as soon as members are able to coordinate their calendars.

MOTION: Mr. Don Doty made a motion to accept the committee reports. Ms. Maffet seconded the motion. The motion was approved with no opposition.

III. Administrative Reports

A. Workforce Investment Board (WIA) Update

Susan Craft, Director, Division of Workforce and Employment Services, reported on several issues relating to WIA. A summary follows.

- Of more than 300 employees in DWES-related programs, 117 are eligible for retirement by 2008; 50 could retire prior to the end of May; and 78 could retire immediately. Several LWIA directors are included in these numbers. Therefore, the Division must reevaluate how it carries out its responsibilities.
 - Better integration of services across the state is needed and initial plans for accomplishing this are due from the WIA/USDOL teams by May 12. After these plans are reviewed by the central office, they will be forwarded to the USDOL office in Atlanta for review.
 - i. The focus is to be on functionality, without consideration of funding.
 - ii. The sole restriction on the plans is that the WIA/USDOL team must use the local facility. The concern that some facilities are inadequate will be addressed after functionality has been addressed.
- The America's Job Bank (AJB) system will be phased out because of the growth and success of similar private enterprises meeting this demand. The DOL/ETA-sponsored AJB, which was developed in 1995 as the first such system, cannot keep pace with private businesses such as Monster and others in this arena. While some states have their own portals, Kentucky's portal is tied directly to the AJB; therefore, discussions are ongoing to determine the best alternative for Kentucky. Deputy Secretary Owens has requested that plans be in place by December for a job portal that allows individuals to post resumes and find jobs.
- There is concern regarding Wagner Peyser (WP) and Workforce Investment Act (WIA) funding for FY 2007. It has been proposed that Career Advancement Accounts (CAAs) replace existing programs and up to 75 percent of existing funds may be put into these individual accounts. This would leave 25 percent for administration, an amount that would be inadequate to continue current programs. The federal government is taking a serious look at moneys spent on administration versus training.
 - The one-stop system is to be maintained but with significant changes. A handout (Attachment 2) was provided regarding proposed changes.
- Kentucky is one of the 23 states that will receive incentive funds for PY 2004 (see Attachment 3).
- In response to questions, Ms. Craft noted the following:
 - that she expects to have contingency plans in place following a review of retirement possibilities and the local plans that will be submitted by May 12;
 - that in DOL's PY07 initiatives, definitions of training will be developed that could have a major impact on use of available funding; and
 - that accountability issues for the CAAs have not yet been addressed.

A time of general discussion followed Ms. Craft's report, with several KWIB members as well as individuals in the audience expressing their views and concerns regarding proposed changes and the potential impact on Kentucky programs.

B. WIA Performance

Ms. Linda Prewitt, section supervisor, Budget and Support Branch, distributed a PY2005 Quarter 3 WIA Federal Performance Standards report (Attachment 4) and explained that she is still investigating seeming discrepancies in the figures for some youth measures.

C. Perkins Update

Mr. David Billingsley, Executive Director of Career and Technical Education, gave an update on Perkins Act programs, noting the following:

- that the deadline for an \$18 million grant proposal is June 12, 2006;
- funds will be used to improve career and technical programs;
- 173 out of 179 Kentucky school districts, 6 universities, and 55 Area Technology Centers participate in these programs;
- 112,000 high school students and 28,442 post-secondary students benefited from related training with 6,000 students receiving dual-credit;
- relevant professional development was provided to 1,003 teachers;
- they are developing on-line courses;
- they have met transitional goals; and
- reauthorization of the Perkins Act is under discussion the Washington DC with passage anticipated due to bipartisan support.

D. Legislative Update

Ms. Hack gave a brief summary of the past legislative session and bills relevant to the KWIB, noting that SB 57 confirming executive order 2005-327 designating oversight of Perkins to the KWIB and SB 105 formalizing reorganization of the Education Cabinet had been approved as had SB 130 which was intended to address remediation concerns.

MOTION: Sharon Bird moved to accept the administrative reports. The motion was seconded by Senator McGaha. It was approved with no opposition.

IV. Other Business

A. E³ Demonstration

Stuart Johnson, Director of System Support with Kentucky Adult Education, gave a brief demonstration of the e³.ky.gov (Education, Employment, and Economic Development) on-line information system and explained some of its capabilities and potential. He emphasized that the information system and its capabilities are available to employers at no cost (see Attachment 5).

B. Base Realignment and Closure (BRAC) Update

In addition to the handout provided by Ms. Sherry Johnson, Director of the Lincoln Trail LWIA, General Shane gave a summary of BRAC activities, noting the major impact on the local area, the very positive response to a survey of interest in coming to Kentucky, and increased interest in coming to Kentucky. He referenced the impact on infrastructure requirements at the local level and the importance of the BRAC Task Force initiated by Governor Fletcher. He noted that BRAC will have an impact statewide. The process is to be completed by 2011.

V. Next Meeting

Mr. Burkley noted that the next KWIB meeting is scheduled for Tuesday, August 8, 2006.

MOTION: A motion to adjourn was made by Representative Clark and seconded by General Shane.

**Alignment Committee Meeting Notes
Presentation to KWIB
May 9, 2006**

1) Fort Knox-Base ReAlignment and Closure

The KWIB working through the Alignment Committee needs to maintain continuous contact with the Lincoln Trail Workforce Investment Area (LTWIA) regarding the BRAC project and remain involved. This project most likely will continue to evolve over the next five years.

Need to watch and participate when/if necessary in the I65 growth corridor.

2) OET/WIA Integration Plans

With the continual reduction of federal funds and the retirement "brain drain" OET is currently experiencing, OET is spearheading a pilot integration project with each of the ten LWIAs to provide seamless integrated services through the One-Stop system. Each area is to submit a local "utopia" plan outlining integration of services and staff levels, regardless of funding streams, within a single comprehensive one-stop center. The plans are due to Central Office on May 12th. USDOL will be in Kentucky June 12-15 to meet with staff to review plans for viability and funding issues.

3) Involvement

The ten Local Workforce Investment Area business liaisons need to plan ways to become more involved with the business community. We, meaning OET and the LWIAs need to inventory our resources and eliminate duplication of services. We all need to become more involved with the education process through KCTCS and Adult Education as well as local LWIA programming. The KWIB and LWIAs need to become more involved in state and local economic development.

Career Advancement Accounts

Career Advancement Accounts are self-managed accounts that would enable current and future workers to gain the education and training needed to successfully enter, navigate, and advance in 21st century jobs. Accounts would be available to workers entering the workforce or transitioning between jobs and careers, or incumbent workers in need of new skills to remain employed or move up the career ladder.

The American economy is facing a shortage of skilled workers — workers who obtain skills through post-secondary education and learning. The workforce investment system, as currently constituted, is ill-equipped to meet the training challenges brought on by the increased need for skills and competencies possessed by workers. This is due, in part, to the lack of integration, which causes too much money to be spent on competing bureaucracies, overhead costs, and unnecessary infrastructure, and not enough on meaningful skills training that leads to job growth and economic prosperity.

The Career Advancement Account proposal meets America's imperative to train more workers in order to remain globally competitive by (1) getting more training dollars in the hands of workers, and (2) streamlining the One-Stop service delivery system through the elimination of outdated service delivery processes.

How do Career Advancement Accounts Work?

An individual would apply for an account at a One-Stop Career Center or through other processes developed by states. States also could establish an online application system.

The maximum amount of the account is \$3,000 for one year. This is sufficient to finance about one year's study at a community college. The accounts may be renewed for one additional year, for a total two-year account amount of up to \$6,000 per worker.

Individuals must use their accounts to pay for expenses directly related to education and training. Career Advancement Accounts could generally be used with a wide variety of training and education providers, including community colleges, and trade and technical schools. States would ensure the credibility and accountability of the training providers.

Who is Eligible for a Career Advancement Account?

Federal legislation authorizing Career Advancement Accounts would establish the following broad categories of individuals as eligible for the accounts:

- ✓ Unemployed adults
- ✓ Out-of-school youth

- ✓ Incumbent workers who require training for advancement or to retain employment

States would have the flexibility to establish additional criteria or priorities for eligibility for Career Advancement Accounts. Some possible examples of state-determined eligibility parameters are as follows:

- ✓ States could decide to establish a priority for low-income individuals.
- ✓ States could define "incumbent workers" in a way that would limit eligibility to those currently employed workers most in need of federal assistance.
- ✓ States experiencing low high school dropout rates and high numbers of mass layoffs could target more funding to unemployed adults and less funding to out-of-school youth.

In addition, states must determine priority of service consistent with the veterans' priority of service requirement under the Jobs for Veterans Act (PL 107-288).

What is the Role of One-Stop Career Centers in the Career Advancement Account Proposal?

One-Stop Career Centers would continue to provide employment services to job seekers and employers, as well as access to Career Advancement Accounts. However, steps would be taken to streamline and strengthen the One-Stop Career Center system.

With the proliferation of employment and job training programs over a number of decades and embedded in multiple federal agencies, Congress created One-Stop Career Centers under the Workforce Investment Act of 1998 (WIA). The notion behind One-Stop Career Centers was that multiple employment and job training programs could be accessed by employers and workers in a single physical location in a community. Because a handful of states were successfully experimenting with the creation of One-Stop Career Centers prior to enactment of WIA, it made sense to codify this service delivery mechanism throughout the entire country.

While each of the individual federal programs retained its own rules and authorization, the mechanism created by Congress for delivering services through a common One-Stop infrastructure was the local Memorandum of Understanding (MOU). Through a MOU, each of the federally-funded partner programs was to agree to a common service delivery design as well as partner contribution in order to share in the administrative costs of operating the One-Stop Career Center.

The fatal flaw in this approach was the lack of an effective enforcement mechanism. If a partner program did not want to enter into a MOU and share costs, no mechanism was created to "enforce" the partner program's participation. In fact, because each program

retained its separate funding and authorization, little incentive existed for programs to adjust their current delivery systems and staffing structures.

The Issues

Because of the lack of true partner program integration, the reality of One-Stop Career Centers has not met the vision of One-Stop Career Centers. Specifically, the following issues have emerged since the implementation of the Workforce Investment Act:

1. *WIA funded programs pay a disproportionate share of administrative costs, leading to a lack of resource availability for training.* As stated in the "Background" section above, the vision of WIA was that 17 identified employment and training programs would share in the costs of operating One-Stop Career Centers with services from all of those programs being accessed through the One-Stop Career Centers. However, in almost all local areas, WIA programs and the Employment Services program authorized under the Wagner-Peyser Act carry the entire burden for keeping the doors of a One-Stop Career Center open—lease/rent costs, computer and information technology costs, staffing costs, etc. As a result, with the \$4 billion currently invested in the three WIA programs and the Employment Services program, only 200,000 people are exiting training per year.
2. *Services are duplicative rather than complementary.* WIA authorizes three levels of services: core services which are basic employment services, intensive services that include case management and development of an employment plan, and training services. Employment services (also known as labor exchange services) under the Wagner-Peyser Act are exactly the same services as the core services under WIA. In addition, WIA services are delivered primarily by local county or city employees while employment services are provided by state employees. This division has created too many situations whereby both programs are providing basic core/employment services, often through completely separate service delivery structures or "coordinated" systems that lack true integration as envisioned by WIA. In fact, rather than duplicative core/employment services being delivered, the law envisioned a service delivery environment where core/employment services would be funded by Wagner-Peyser, thus making WIA resources available for training. Unfortunately, this has not occurred across the country in a systematic manner.
3. *The lack of program partner integration has led to WIA-funded supportive services.* Because partner programs such as Temporary Assistance to Needy Families (TANF), Food Stamp Employment and Training (E&T), Child Care Development Fund (CCDF) programs, transportation subsidies and housing assistance are not accessible through One-Stop Career Centers, WIA funds are

used for supportive services. This leads to less funding available for training and additional duplication in service delivery.

4. *Strict requirements governing physical location of One-Stop Career Centers.* Current law requires each local workforce investment area to have at least one comprehensive One-Stop Career Center. In essence, this has created pressure to maintain a One-Stop Career Center in every county. In many areas of the country, this requirement does not make sense in terms of population density or the configuration of the local labor market or regional economy. State and local officials have struggled to rationalize this system, save administrative costs, and get more funding in the hands of workers who need education and training.

The Solution

The Bush Administration has continually supported the true concept of a One-Stop system. This is a system whereby access points are created and maintained in communities—access points that may be physical in nature such as One-Stop Career Centers where all partner programs can be accessed and ones that may be technologically based utilizing the latest in telecommunications and Internet advancements. This support has been embodied in the WIA reform proposals articulated by the Administration, most notably the “infrastructure” proposal developed over three years ago.

Under the Career Advancement Account proposal, the infrastructure proposal is a viable option. Essentially, governors would capture an amount of the administrative cost of each of the partner employment and training programs and pool the money to be used locally for One-Stop Career Centers and other access points. Monies would be available locally based on a state-developed certification process to assure more consistency of services across a state. This proposal would accomplish the following:

1. *The One-Stop vision would be realized.* Employment and training programs would fund the One-Stop Career Centers and services would be delivered in an integrated fashion. No longer would it be in the best interests of an individual program to maintain a separate bureaucracy and service delivery system. All programs would have a shared interest in designing and maintaining a single employment and training system in a state, made up of the partner components.
2. *Services would be consistently provided across a state.* The state would provide greater leadership under this proposal by working with local authorities to develop a consistent vision and service delivery system for One-Stop Career Centers and other access points through a new certification process. This includes agreements on the role of state and local employees in the system—rather than the current fragmented environment, these “layers”

would each have defined roles and responsibilities that complement one another.

3. *Consolidated WIA funding would be available for training through Career Advancement Accounts.* Because partner programs would be invested in the success of One-Stop Career Centers and other access points, the new consolidated WIA state grant would be available for basic core services and Career Advancement Accounts rather than administrative overhead and duplicative service delivery structures. Therefore, the goal of more than tripling the number of people trained with WIA funds could be realized.
4. *Flexibility around physical locations of Centers.* The President's reforms would give state and local officials the flexibility to make sound business decisions about the locations of their One-Stop Career Centers.

What is the Difference between Career Advancement Accounts and Pell Grants?

Pell Grants are available to undergraduates who have financial need and meet the other requirements for Federal Student Aid. Pell Grants are usually a foundation of student aid, to which assistance from other federal and non-federal sources might be added. Career Advancement Accounts are self-managed accounts to enable current and future workers to gain the skills needed to successfully enter, navigate and advance in 21st century jobs.

There would be some overlap between eligibility for Pell Grants and Career Advancement Accounts, just as there is currently some overlap between Pell Grants and WIA Individual Training Accounts. However, since Career Advancement Accounts are targeted toward workers seeking to upgrade their skills, there is more flexibility in how these funds can be used. Specifically --

- ✓ Unlike Pell and other Federal student aid, Career Advancement Accounts would be available to low-income individuals who are studying less than half time.
- ✓ Career Advancement Accounts would also be available to individuals pursuing short-term training, in courses that last 10 weeks or less. Federal student aid is not available for this type of short-term training.
- ✓ The practice of determining Pell eligibility based on the previous year's income penalizes working adults seeking to return to school following layoffs and sharp reductions in income. Such individuals could apply for Career Advancement Accounts.

Finally, Career Advancement Accounts would be available to help fill in holes for those individuals who, even with Pell Grants and other student aid, still cannot afford the cost of education and training.

There are differences in the allowable uses of Pell Grant and Career Advancement Account funds. While Career Advancement Accounts would be used only to cover the costs of education and training, individuals can use Pell Grants to pay for the cost of attendance at an institution of higher education (such as tuition and fees), as well as living expenses.

What is the Difference between Career Advancement Accounts and Personal Reemployment Accounts?

The President's 2007 Budget Proposal supports providing individuals with personal control and flexibility in managing their own education, training and employment choices through a Career Advancement Account approach. Similar principles are the underpinning of the Personal Reemployment Accounts demonstration but there are significant and important differences.

The principle differences are that Personal Reemployment Accounts:

- ✓ Are designed as a targeted reemployment effort for individuals currently receiving Unemployment Insurance (UI) benefits and identified as likely to exhaust their benefits.
- ✓ Cover any allowable expenses related to reemployment: training, intensive and supportive services.
- ✓ Are available to individuals for one year with no renewable option.
- ✓ Feature a cash bonus that rewards reemployment and is paid in two installments: 60% of the account balance when the individual becomes employed by the 13th compensable week of UI and 40% when employment is retained for six months.

How will Career Advancement Account Recipients Receive Supportive Services?

Career Advancement Accounts can only be used to pay for expenses directly related to education and training, but individuals would continue to have access to supportive services through a variety of local community organizations and existing state and federally funded programs. The following is a brief summary of some of the federal and other assistance available to address the major supportive service needs of a job seeker participating in training: child care, transportation, housing, and health care.

Child Care

Services range from cash assistance and vouchers to Web site referrals and consumer education resource materials. Eligibility for financial assistance is usually based on income. The U.S. Department of Health and Human Services (HHS) has the largest

number of programs that provide child care subsidies and financial assistance, such as the Temporary Assistance for Needy Families (TANF), Transitional Child Care and the Child Care and Development Fund. The National Child Care Information Center, funded by HHS, is a national clearinghouse and technical assistance center that links parents, providers, policy-makers, researchers, and the public to early care and education information.

Transportation

The programs that provide or reimburse costs for transportation to and from work, school, and training for low income or disabled individuals are the U.S. Department of Transportation's Job Access and Reverse Commute Grants, the Social Security Administration's Ticket to Work Program, U.S. Department of Agriculture's Food Stamp Employment and Training Program, the TANF program, and seven Department of Education programs. The Department of Interior has targeted programs for Indians and Native Americans to provide transportation for those pursuing education and training. Many faith-based and community organizations provide transportation assistance by either providing tokens or vouchers for public transportation or sponsoring one of seventy car ownership programs across the country that provide cars to low-income people for travel to work.

Housing

The majority of rental or mortgage assistance is provided through the Department of Housing and Urban Development's (HUD) fourteen guaranteed/insured loans and direct payment programs. These programs help people undertake home ownership or increase the supply of good quality rental housing for lower or middle-income families by either insuring mortgages or providing payments to owners on behalf of eligible tenants with the difference between the contract rent and the tenant rent. State cash assistance programs, many faith-based and community organizations, and Community Action Agencies authorized by the Community Services Block Grant Act also provide access to temporary housing assistance. The U.S. Department of Agriculture, HUD and Veterans Administration also offer direct payment or guaranteed/insured loan programs for low-income rural individuals, Indians and Native Americans and veteran residents.

Health Care

HHS is the main provider for services in health care, such as Medicare and Medicaid. Medicare is a health insurance and prescription drug program for people 65 years of age or older, and some people with disabilities under 65 years. The Medicaid Program provides medical benefits to low-income individuals who have no medical insurance or have inadequate medical insurance. Many communities also have low-cost or free health clinics that are available to individuals who are without health insurance. For those who may earn too much to qualify for Medicaid, the State Children's Health Insurance Program is available.

Income Support

There are a number of ways that individuals may receive income support while participating in training under a Career Advancement Account. Some participants will qualify for training assistance while continuing to receive income support under state or federally-funded public assistance, such as TANF or the Social Security Disability Income program. Others may choose to use a portion of their Pell grant assistance to contribute to income support, and in some instances the individual may be co-enrolled in the Trade Adjustment Assistance program or Disaster Unemployment Assistance, under which extended unemployment insurance benefits could provide income support and other supportive services during training. However, it is anticipated that many individuals would work part-time while participating in education and training programs financed by Career Advancement Accounts.

TO: State Directors for Vocational-Technical Education

FROM: John Haigh

SUBJECT: Incentive Grant Awards for FY 2004 Performance

DATE: April 28, 2006

I am pleased to announce that the Departments of Education and Labor have determined that 23 states qualify to receive Workforce Investment Act Title V incentive grants for their FY 2004 performance. To qualify for an incentive grant, a state must exceed its agreed-upon performance levels for WIA title I, the Adult Education and Family Literacy Act (AEFLA), and the Carl D. Perkins Vocational and Technical Education Act (Perkins III).

The notice identifying the eligible states and the date by which eligible states must submit their applications for funds was published in today's (April 28, 2006) *Federal Register*, <http://www.archives.gov/federal-register/the-federal-register/index.html>. Incentive grant funds may be used "for the purpose of carrying out an innovative program consistent with the requirements of any one or more of the programs within [WIA] Title I," AEFLA or Perkins III. Applications must include assurances that:

- The legislature of the state was consulted with respect to the development of the application.
- The application was approved by the Governor, the eligible agency for adult education (as defined in section 203(4) of WIA (20 U.S.C. 9202(4))), and the state agency responsible for vocational and technical education programs (as defined in section 3(9) of Perkins III (20 U.S.C. 2302(9))).
- The state and the eligible agency, as appropriate, exceeded the agreed-upon levels of performance for WIA Title I, AEFLA, and Perkins III.

The application will also include a description of how the state will use the incentive grant funds to ensure that the state's planned activities are innovative and are otherwise authorized under the WIA title I, the AEFLA, and/or the Perkins Act as amended, as required by WIA Section 503(a). State applications are jointly reviewed by the Departments of Education and Labor.

As you know, the incentive grants are funded from contributions from WIA Title I, AEFLA, and Perkins III. This year the Department of Labor declined to provide funds from WIA Title I for incentive grants. For your information, I have attached a table that sets out the relative contributions of the three programs to each state's total award amount.

I congratulate the 23 qualifying states and look forward to learning about how your state will be using the incentive grant award to improve career and technical education in your state.

Attachment

**PY 2004 Total State Incentive Grant Awards and the Relative Contributions
of Each Program to Total Awards**

State	Total Award	<i>Contribution to Total Award</i>		
		WIA Title I	AEFLA	Perkins III
Arizona	\$709,618	\$0	\$432,557	\$277,061
Colorado	\$680,253	\$0	\$414,657	\$265,596
Connecticut	\$673,907	\$0	\$410,788	\$263,118
Delaware	\$646,569	\$0	\$394,125	\$252,445
Georgia	\$762,930	\$0	\$465,054	\$297,877
Iowa	\$665,157	\$0	\$405,455	\$259,702
Illinois	\$941,250	\$0	\$573,751	\$367,499
Indiana	\$717,986	\$0	\$437,657	\$280,329
Kentucky	\$716,581	\$0	\$436,801	\$279,780
Massachusetts	\$712,003	\$0	\$434,011	\$277,993
Maryland	\$711,961	\$0	\$433,985	\$277,976
Michigan	\$817,852	\$0	\$498,532	\$319,320
Minnesota	\$699,205	\$0	\$426,210	\$272,996
North Dakota	\$644,150	\$0	\$392,650	\$251,500
Nebraska	\$651,792	\$0	\$397,308	\$254,484
Nevada	\$661,574	\$0	\$403,271	\$258,303
Oklahoma	\$688,143	\$0	\$419,466	\$268,677
Oregon	\$714,422	\$0	\$435,485	\$278,937
Pennsylvania	\$853,980	\$0	\$520,554	\$333,426
South Carolina	\$709,298	\$0	\$432,361	\$276,936
Tennessee	\$740,699	\$0	\$451,502	\$289,196
Wisconsin	\$713,988	\$0	\$435,221	\$278,768
West Virginia	\$685,054	\$0	\$417,584	\$267,471
TOTAL	\$16,518,372	\$0	\$10,068,983	\$6,449,389

WIA Federal Performance Standards PY 2005 Quarter 3

	Negotiated Rate	Cumulative 4-Quarter For Quarter Ending 03/31/2006	Performance Comparison between PY 2004 and PY 2005 Quarters 1 - 3	
			PY 2004	PY 2005
Adults:				
Entered Emp Rate	77%	84%	81%	85%
Retention	84%	80%	93%	80%
Wage Gain	\$ 4,600.00	\$ 5,443.70	\$ 5,431.92	\$ 5,640.38
Emp/Credential Rate	59%	67%	65%	67%
Dislocated Workers:				
Entered Emp. Rate	80%	88%	85%	87%
Retention	88%	87%	95%	87%
Wage Replacement	\$ (1,300.00)	\$ (591.57)	94%	\$ (900.99)
Emp/Credential Rate	56%	66%	64%	66%
Older Youth:				
Entered Emp. Rate	71%	82%	77%	83%
Retention	84%	86%	77%	86%
Wage Gain	\$ 3,300.00	\$ 3,398.99	\$ 3,497.78	\$ 3,541.53
Emp/Credential Rate	44%	54%	59%	54%
Younger Youth:				
Skill Attainment Rate	83%	87%	91%	87%
GED/Diploma	68%	51%	78%	52%
Retention	63%	78%	72%	78%
Youth Common Measures – Not negotiated				
Placement in Employment or Education		74%		
Attainment of Degree or Certificate		53%		
Literacy or Numeracy Gains		0.00%		

WIA Federal Performance Standards

PY 2005 Quarters 1 - 3

	PY 2005		
	Qtr 1	Qtr 2	Qtr 3
Adults:			
Entered Emp Rate	78%	82%	89%
Retention	78%	74%	83%
Wage Gain	\$ 4,462.99	\$ 4,797.45	\$ 5,089.09
Emp/Credential Rate	53%	60%	76%
Dislocated Workers:			
Entered Emp. Rate	87%	84%	87%
Retention	87%	88%	83%
Wage Replacement	\$ (1,846.06)	\$ (1,460.22)	\$ (569.46)
Emp/Credential Rate	59%	65%	68%
Older Youth:			
Entered Emp. Rate	76%	81%	84%
Retention	87%	81%	80%
Wage Gain	\$ 2,616.54	\$ 3,367.43	\$ 2,923.03
Emp/Credential Rate	52%	81%	59%
Younger Youth:			
Skill Attainment Rate	87%	61%	89%
GED/Diploma	80%	46%	35%
Retention	75%	79%	80%



Education, Employment and Economic Development: Unbridling Kentucky's Future

e³.ky.gov – a demand-driven technology solution that integrates Kentucky's education, employment, and economic development data – showcases the Commonwealth's educational achievements and human capital, provides labor market information, and opens a job-posting, resume-search portal to employers, human resource specialists, and job-placement professionals **at no charge**. It offers resume-posting, job searches, and valuable resources for students and job seekers, plus a wide selection of searchable workforce and educational data for researchers, program planners, economic developers, or others interested in Kentucky's economic landscape.

Sponsored by Kentucky Adult Education (KYAE) and developed by the Education Cabinet's Division of Technology Services (DTS), **e³.ky.gov** was designed through a unique, multi-agency collaboration funded initially by a federal Workforce Incentive grant from the U.S. Department of Labor, Employment and Training Administration. Rather than replicating current technology initiatives, **e³.ky.gov** builds on existing systems and leverages resources to create a gateway approach. It reduces navigation in multiple websites by making high-demand data searchable in a dynamic, geographically layered format. When users need services, direct assistance, or more in-depth information, **e³.ky.gov** guides them to the appropriate Commonwealth website.

e³'s primary companion system is the *Employ Kentucky Operating System (EKOS)*, the Commonwealth's powerful employment and training job-search, case management, and reporting system. Through **e³.ky.gov**, employers can search an average of 700,000 identity-protected resumes in EKOS, and connect with prospective candidates through statewide job-assistance staff. Employers must place a bona fide job listing to request candidate referrals. More than 68,000 employers have actively used EKOS, which typically lists some 25,000 – 30,000 job openings that seekers may search. Posting a resume also is fast, free, and convenient, requiring only a computer and internet connection.

Employers can search resumes by zip code, federally designated metropolitan area, community, county, Workforce Investment Area, and statewide. Keyword and radius searches refine information at even greater detail. *My Briefcase* provides employers with an on-line "shopping cart" to collect resumes of interest, or simply allows them to explore the availability of qualified candidates.

e³.ky.gov also searches aggregate completer data for General Education Development (GED) diplomas; Kentucky Employability Certificates (*known nationally as **Work Keys***); Kentucky Manufacturing Skill Standards; and all 2-year, 4-year, and advanced degrees issued by postsecondary institutions. Advanced searches for certifications and degrees offer greater detail, including certificates by type, degrees by program types, and degrees by related job titles. Also included are links to colleges and universities that offer curricula needed for specific occupations.

e³.ky.gov's labor market information taps U.S. Census data for industry-based profiles of both total and stable employment in annual and quarterly presentations. Information on Kentucky payrolls, earnings, turnover rates, new hires, and other indicators are presented by geographic selection. County-to-county commuting patterns provide incoming and outgoing data for all states that share commuter traffic with Kentucky. A Business Search feature, currently being expanded through various sources, provides links to company websites as both a promotional avenue for employers, and an interview preparation resource for job seekers.

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e³.ky.gov adopts three nationally recognized classification structures to organize data for occupations, industries, and educational curricula. The *Occupational Information Network (O*NET)* system, the *North American Industrial Classification System (NAICS)*, and the *Classification of Instructional Programs (CIP)* allow users to identify jobs, businesses, and training availability at various levels of detail.

As an economic development tool, **e³.ky.gov** helps the business community profile any area of the Commonwealth to access workforce and training availability, as well as complementing corporate activity needed to support a new or expanding venture. With targeted links to the Kentucky Economic Development Cabinet, Bluegrass State Skills Corporation, and the Secretary of State's Business Services initiative, **e³.ky.gov** makes the critical connections to resources for facilities, tax incentives, business licensing, and other state and local business requirements.

For researchers, **e³.ky.gov** jump starts analysis by highlighting commonly requested information in searchable formats. Links to *Workforce Kentucky*, the University of Louisville's *Kentucky State Data Bank*, and various state and national statistical sites reduces research time and effort.

Students and job seekers can enhance their chances in Kentucky's job market by posting and updating their on-line resumes, exploring educational opportunities, and researching companies in advance of interviews. **e³.ky.gov's** resume-review process ensures confidentiality and protects job seekers from growing concerns of employment scams and identity theft. Seekers also are assured first right of refusal on any job referral, and that all referrals will be for legitimate job openings.

Cited as an "extraordinary array of highly valuable, current and comprehensive information," by the U.S. Department of Labor, Employment and Training Administration's Atlanta-based Regional Office, **e³.ky.gov** is a flagship data-integration initiative that elevates Kentucky to the forefront in transforming workforce development to a demand-driven environment.